

Sec. 15. NEW SECTION. ENFORCEMENT. An agency of this state which is required by the laws of this state to regulate a lender shall enforce the provisions of this chapter with respect to the lender. The regulatory agency may petition the district court for Polk county in an action in equity to obtain such relief as may be necessary to obtain compliance with this chapter.

A regulatory agency may promulgate rules as necessary to administer or enforce this chapter.

Sec. 16. Acts of the Sixty-seventh General Assembly, 1978 Session, chapter one thousand one hundred ninety (1190), section twelve (12), subsection two (2), paragraph c, as amended effective July 1, 1979, by Senate File 158, 1979 Session, section twenty-two (22), is further amended effective July 1, 1979, to read as follows:

c. If the purpose of the loan is to enable the borrower to purchase a single-family or two-family dwelling, for his or her residence, the any provision of a loan agreement shall-net-contains-any-provision which prohibits the borrower from transferring his or her interest in the property to a third party for use by the third party as his or her residence, and--shall--not contain or any provision which requires or permits the lender to make a change in the interest rate, the repayment schedule or the term of the loan as a result of a transfer by the borrower of his or her interest in the property to a third party for use by the third party as his or her residence shall not be enforceable except as provided in the following sentence. If the lender on reasonable grounds believes that its security interest or the likelihood of repayment is impaired, based solely on criteria which is not more restrictive than that used to evaluate a new mortgage loan application, the lender may accelerate the loan, or to offset any such impairment, may adjust the interest rate, the repayment schedule or the term of the loan. A provision of a loan agreement which violates this paragraph is void.

Approved June 10, 1979

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CHAPTER 133  
NONRESIDENT ALIEN LAND OWNERSHIP

H. F. 148

AN ACT relating to the ownership of land by nonresident aliens and providing penalties.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Chapter five hundred sixty-seven (567), Code 1979, is amended by striking the chapter and inserting in lieu thereof sections two (2) through twelve (12) of this Act.

Sec. 2. NEW SECTION. DEFINITIONS. For the purpose of this chapter:

1. "Agricultural land" means land suitable for use in farming.
2. "Nonresident alien" means an individual who is not a citizen of the United States and who has not been classified as a permanent resident alien by the United States immigration and naturalization service.
3. "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing or the production of livestock. Farming includes the production of timber, forest products, nursery products, or sod. Farming does not include a contract where a processor or distributor of farm products or supplies provides spraying, harvesting or other farm services.
4. "Foreign business" means a corporation incorporated under the laws of a foreign country, or a business entity whether or not incorporated, in which a majority interest is owned directly or indirectly by nonresident aliens. Legal entities, including but not limited to trusts, holding companies, multiple corporations and other business arrangements, do not affect the determination of ownership or control of a foreign business.
5. "Foreign government" means a government other than the government of the United States, its states, territories or possessions.

Sec. 3. NEW SECTION. ALIEN RIGHTS. A nonresident alien, foreign business or foreign government may acquire, by grant, purchase, devise or descent, real property, except agricultural land or any interest in agricultural land in this state, and may own, hold, devise or alienate the real property, and shall incur the same duties and liabilities in relation thereto as a citizen and resident of the United States.

Sec. 4. NEW SECTION. RESTRICTION ON AGRICULTURAL LAND HOLDINGS.

1. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, shall not purchase or otherwise acquire agricultural land in this state. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which owns or holds agricultural land in this state on the effective date of this Act may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state.
2. A person who acquires agricultural land in violation of this Act or who fails to convert the land to the purpose other than farming within five years as provided for in this Act, remains in violation of this Act for as long as the person holds an interest in the land.
3. The restriction set forth in subsection one (1) of this section does not apply to agricultural land acquired by devise or descent nor shall it apply to an interest in agricultural land, not to exceed three hundred twenty acres, acquired by a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof for an immediate or pending use other than farming. However, a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, who lawfully owns over three hundred twenty acres on the effective date of this Act, may continue to own or hold the land, but shall not purchase or otherwise acquire additional agricultural land in this state except by devise

or descent from a nonresident alien. Pending the development of the agricultural land for another purpose other than farming, the land shall not be used for farming except under lease to an individual, trust, corporation, partnership or other business entity not subject to the restriction on the increase in agricultural land holdings imposed by section one hundred seventy-two C point four (172C.4) of the Code.

4. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof shall not transfer title to or interest in agricultural land to a nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof except by devise or descent.

Sec. 5. NEW SECTION. DEVELOPMENT OF LAND ACQUIRED FOR NONFARMING PURPOSES. Development of the agricultural land which is not subject to the restrictions of section four (4), subsections one (1) and two (2), of this Act because the land or interest in the land was acquired for an immediate or pending use other than farming, shall convert the land to the purpose other than farming, within five years after the acquisition of the agricultural land or the acquisition of the interest in the agricultural land.

Sec. 6. NEW SECTION. LAND ACQUIRED BY DEVISE OR DESCENT. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which acquires agricultural land or an interest in agricultural land, by devise or descent after the effective date of this Act shall divest itself of all right, title and interest in the land within two years from the date of acquiring the land or interest. This section shall not require divestment of agricultural land or an interest in agricultural land, acquired by devise or descent from a nonresident alien, if such land or an interest in such land was acquired by any nonresident alien prior to July 1, 1979.

Sec. 7. NEW SECTION. CHANGE OF STATUS--DIVESTMENT. A person or business which purchases or otherwise acquires agricultural land in this state except by devise or descent, after the effective date of this Act, and whose status changes so that it becomes a foreign business or nonresident alien subject to this Act, shall divest itself of all right, title and interest in the land within two years from the date that its status changed.

Sec. 8. NEW SECTION. REGISTRATION. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, which owns an interest in agricultural land within this state on or after the effective date of this Act shall register the agricultural land with the secretary of state. The registration shall be made within sixty days after the effective date of this Act or within sixty days after acquiring the land or the interest in land, whichever time is the later. The registration shall be in the form and manner prescribed by the secretary and shall contain the name of the owner and the location and number of acres of the agricultural land by township and county. If the owner of the agricultural land or owner of the interest in agricultural land is an agent, trustee or fiduciary of a nonresident alien, foreign business or foreign government, the registration shall also include the name of any principal for whom that land, or interest in that land was purchased as agent.

Sec. 9. NEW SECTION. REPORTS. A nonresident alien, foreign business or foreign government, or an agent, trustee or fiduciary thereof, who acquires agricultural land not subject to the restrictions of section four (4) of this Act because the land was acquired for an immediate or pending use other than farming, shall file a report with the secretary of state before March thirty-first of each year. The report shall be in the form and manner prescribed by the secretary and shall contain the following:

1. The name of the owner of the agricultural land or owner of the interest in the agricultural land.
2. If the owner of the agricultural land or interest in agricultural land is an agent, trustee or fiduciary of a nonresident alien, foreign business or foreign government, the name of any principal for whom that land or interest in that land was acquired as agent.
3. The location and number of acres of the agricultural land by township and county.
4. The date the agricultural land or interest in agricultural land was acquired.
5. The immediate or pending use other than farming, for which the agricultural land or interest in agricultural land was acquired and the status of the land's development for the purpose other than farming.
6. The present use of the agricultural land.

Sec. 10. NEW SECTION. ENFORCEMENT.

1. If the secretary of state finds that a nonresident alien, foreign business, foreign government, or an agent, trustee, or other fiduciary thereof, has acquired or holds title to or interest in agricultural land in this state in violation of this Act or has failed to timely register as required under section eight (8) of this Act or has failed to timely report as required under section nine (9) of this Act, the secretary shall report the violation to the attorney general.
2. Upon receipt of the report from the secretary of state, the attorney general shall initiate an action in the district court of any county in which the land is located.
3. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each county in which any of the land is located. If the court finds that the land in question has been acquired or held in violation of this Act or the required registration has not been timely filed, it shall enter an order so declaring and shall file a copy of the order with the recorder of deeds of each county in which any portion of the land is located.

Sec. 11. NEW SECTION. ESCHEAT. If the court finds that the land in question has been acquired in violation of this Act or that the land has not been converted to the purpose other than farming within five years as provided for in this Act, the court shall declare the land escheated to the state. When escheat is decreed by the court, the clerk of court shall notify the governor that the title to the real estate is vested in the state by decree of the court. Any real estate, the title to which is acquired by the state under the provisions of this Act, shall be sold in the manner provided by law for the foreclosure of a mortgage on real estate for default of

payment, the proceeds of the sale shall be used to pay court costs, and the remaining funds, if any, shall be paid to the person divested of the property but only in an amount not exceeding the actual cost paid by the person for that property. Proceeds remaining after the payment of court costs and the payment to the person divested of the property shall become a part of the general fund of the county or counties in which the land is located, in proportion to the part of the land in each county.

Sec. 12. NEW SECTION. PENALTY--FAILURE TO TIMELY FILE. A nonresident alien, foreign business or foreign government, or an agent, trustee or other fiduciary thereof, who fails to timely file the registration as required by section eight (8) of this Act, or who fails to timely file a report required by section nine (9) of this Act shall, for each offense, be punished by a fine of not more than two thousand dollars.

Sec. 13. Sections four hundred ninety-one point sixty-seven (491.67) and five hundred eighty-nine point seven (589.7), Code 1979, are repealed.

Sec. 14. This Act is effective January first following its enactment.

Approved June 10, 1979

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CHAPTER 134  
COUNTY SALES OF PUBLIC PROPERTY

S. F. 475

AN ACT to legalize the proceeding of any county in the state which sold certain county property without offering the property for sale at a public auction.

Whereas, the boards of supervisors of counties in this state may have offered for sale county property which was no longer needed for the purpose for which it was acquired or for any other county purpose; and

Whereas, the boards of supervisors subsequently offered those properties for sale on or after June 30, 1974 and on or before July 1, 1975 and complied with all of the provisions of section three hundred thirty-two point three (332.3), subsection thirteen (13), of the Code, except that the boards failed to offer the properties for sale at a public auction; and

Whereas, some doubt has arisen as to the validity of the sales of such properties and such doubts may raise an issue concerning the merchantability of the title to such properties sold on or after June 30, 1974 and on or before July 1, 1975 and said acts should be legalized and the matter once and for all be put to rest; Now Therefore,

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. That all proceedings taken by the board of supervisors of any county pertaining to the sale of any property which was no longer needed for the purpose for which it was acquired or any other county purpose and sold